



OneClickHR - HOLD

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15/04/2009

Frank Beechinor, CEO of human resources software developer OneClickHR, believes the company is at 'an inflexion point', with contract momentum building behind its low-cost product range.

The South London-based company, which enjoys a low-cost base due to its large workforce in India, added 73 new clients for its core HR.net product during the year to December, including EMI, Rentokil and Hilton Hotels. At a point where 'the competition is struggling as their price and their cost bases are too high', says Beechinor. OneClick is gaining momentum as 'people see that it offers value for money and think: "If blue chips are using it, maybe we should too"'.

Despite revenues falling against the year before, when there was an exceptionally large one-off sale, the company turned losses of £46,000 into pre-tax profits of £304,000. This was chiefly due to good cost control, which Irishman Beechinor says was helped by wage inflation in India being kept in check at 'single digits compared to almost 20% last year'.

With overheads low, the selling price can be kept at an attractive level and this in turn should see demand continue to grow. More potential for growth could be found in a new product out in June for smaller businesses and advances into overseas territories, since 98% of revenues were derived from the UK last year.

OneClickHR's balance sheet remains robust, with no debt and cash balances increased to £0.9m, while the bottom line will continue to benefit from tax losses of over £8m for some time.

Since they were tipped here at 3.5p in October, the shares have outperformed and, trading on 13 times forecast earnings, should continue to do so, if momentum is maintained and costs kept under control.

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[Oliver Hail](#)

Market cap: £7.81m
PE
Forecast: 13.1
Share
price: 5.25p



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